

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

In re:	:	
EIS INTERNATIONAL, INC.	:	Master File No. 3:97CV813 (CFD)
SECURITIES LITIGATION	:	

RULING

The defendants, a corporation and three individuals, are jointly represented in the above captioned matter by attorneys of the law firm Arnold & Porter, LLC ("Arnold & Porter"). By endorsement ruling dated October 19, 2000, those counsel were substituted as lead counsel for the defendants, all of whom previously had been represented by Fried, Frank, Harris, Shriver & Jacobson LLP. Pending before the Court is a request by those Arnold & Porter attorneys as well as local counsel from Finn Dixon & Herling, LLP, to withdraw as defense counsel in this action based on a potential conflict of interest, namely that the corporation and the individual defendants now have separate, and conflicting, trial strategies. For the following reasons, the request is granted.

On August 22, 2000, Arnold & Porter entered into an engagement letter with Portal Connect, Inc., and three individual officers of the company in the above captioned matter.¹ Since that time, Mr. Sacks and others from Arnold & Porter have represented all the defendants in discovery, motion practice and trial preparation. Now, however, on the eve of trial, counsel from Arnold & Porter has indicated that the potential conflict of interest has arisen, and it has requested that the Court allow all defense counsel to completely withdraw from this matter.

¹Portal Connect, Inc. acquired the named corporate defendant, EIS International, Inc., at some point after the events underlying this action occurred. Since counsel from Arnold & Porter have entered appearances in this case, Portal Connect has undergone several corporate changes, and the company now is named SER Solutions, Inc. ("SER"). The corporate changes are relevant to the request to withdraw.

After reviewing several rounds of *in camera* memoranda, the Court reluctantly agrees, and hereby grants all defense counsel permission to withdraw completely from this case. In so doing, however, the Court notes that it is troubled by Arnold & Porter's failure to anticipate the potential for this type of conflict of interest at the time the engagement letter was entered into, and its failure to counsel the defendants accordingly.

The defendants are hereby ordered to obtain new counsel within **30** days of the date of this order.

The Court further orders that all parties participate in a status conference with Magistrate Judge Thomas P. Smith within **30** days of the retention of new counsel.

SO ORDERED this 17th day of May 2005, at Hartford, Connecticut.

/s/ CFD

CHRISTOPHER F. DRONEY
UNITED STATES DISTRICT JUDGE
